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3. A system of responsibility for the production process must be implemented by the planning section. An example of this is the changing of working shifts and the responsibility of one shift to the other.

4. There must be a system of responsibility for the equipment. Plans must be worked out for regular inspections and repairs. Spare parts must be stocked and available for use. Many enterprises are old and equipment breakdowns often interrupt production.

5. In strengthening the factory safety system, there must be specially designated persons responsible for safety, in addition to the head of the enterprises and its sections. There must be a strictly enforced worker safety program in addition to an educational program on safety.

6. In implementing a system of raw material inventory controls, attention must be paid to purchasing, inspection of purchases, storage, recording, and the issuing and return of materials by responsible persons.

7. With the setting-up of independent accounting systems in the various enterprises, it will be the responsibility of each unit to fulfill its financial plan. Individual heads of enterprises will be responsible for the profit or loss of the unit. Each enterprise must have a responsible person in charge of accounting. The books must show original entries, ledger accounts, cost accounts, and statistical data.

III

In correctly implementing the move to fix responsibility, the following measures must be kept in mind:

The first step is to analyze and point out the weaknesses existing in the present practice of evading responsibility. After this step, it is best to map plans for improvement rather than quarrel over past faults. Technical and administrative personnel must be mobilized to support the movement to implement a system of fixed responsibility. This can be achieved by stepping-up the political education of the personnel and by overlooking past errors in order to set them at ease.

The head of the enterprise must take the initiative in the movement to implement a system of fixed responsibility. Likewise, heads of sections should emphasize the importance of this movement by criticism and self-criticism among workers. To assure the proper activation of this movement, each administrative unit must select two or three enterprises under its control and carry out that movement in these enterprises from beginning to end. In the past, too brief a time was allocated for this movement, which partly accounts for its failure. Therefore, enterprises should spend about 5 months studying the national plan before initiating the movement to implement a system of fixed responsibility.

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DIRECTIVE OF CHINESE MINISTRY OF HEAVY INDUSTRY
ON SYSTEMS OF RESPONSIBILITY IN FACTORIES AND MINES

Hsin-hua Yuch-pao
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[Comment: The following report summarizes an official statement issued by the Ministry of Heavy Industry, People's Republic of China, elaborating its directive regarding "Instituting Systems of Responsibility in Factories and Mines." Although the statement was labeled a directive, it is actually an explanation by the ministry of its original directive of 29 May.]

A directive on 29 May 1953, of the Ministry of Heavy Industry ordered all factories and mines to initiate a movement to institute systems of responsibility in order that the National Plan be implemented on an even keel.

I

The directive stressed the importance of regular production, cost accounting and safe working conditions in the various enterprises, and also listed certain weaknesses. For example, production in many enterprises is backward and in a serious state of disorder. There is no system of responsibility governing day-to-day production. There is no one to settle conflicts between production units. Inventory controls are in such disorder that the production line is often held up. No one is responsible for the quality of production. Questions of production technique go unanswered. No one is responsible for the upkeep of the machinery. In several cases of accidents involving the loss of life, no one could be held responsible. Cost accounting is in general unreliable. Reports are not prepared in time. Although many enterprises have progressive work plans, they are not yet implemented because of irresponsibility. These shortcomings not only cause huge losses to the government, but have also seriously retarded the national plan.

II

In accordance with the annual work plan of the Ministry of Heavy Industry, the following steps should be taken by all factories and mines:

1. Each factory or mine must have a responsible head who is authorized to issue orders that must be implemented throughout the enterprise by the head of each factory shop or mine section. Each enterprise must have clearly defined units responsible for planning, production, technique, motive power, materials, financial accounting, worker's wages, personnel, technological inspection, safety methods, sales, welfare, etc.

2. Each enterprise must improve its technique by the appointment of a chief engineer for the enterprise and a chief technician for each section. For each technical process there must also be a specialist who is responsible for that work. Each enterprise must have a separate unit to check on the quality of raw materials, production processes, and finished goods.